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THE INTERIM

A REPORT OF INTERIM ACTIVITY . . . MONTANA LEGISLATIVE COUNCIL . . . HELENA

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CAUCUS DATE SET

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PERIODICALS**

The Deans of the respective parties in the Senate and the House, Senators Boylan and McCallum and Representatives Bardanoue and Marks have set Saturday, November 15, as the date for the legislative caucuses. The date was set at this time so legislators and legislative candidates may better schedule their pre-session time. The official call and other information will be sent to legislators soon after the election.

CHANGE IN FEDERAL PER DIEM RATE FOR LEGISLATORS

SPECIAL NOTICE

Effective July 1, 1986, the federal per diem rates increase for legislators electing to claim living expenses on "legislative days" without substantiating records under IRC 162(h). The federal per diem rate for January 1 through June 30, 1986, is \$55 for meetings in Helena, \$59 for meetings in Great Falls, \$59 for meetings in Billings, and \$50 for meetings elsewhere in the state. The federal per diem rate for the rest of this year does not increase for Billings or for the general state rate but increases to \$58 for meetings in Helena and \$62 for meetings in Great Falls. For further information refer to GSA Bulletin FPMRA-40, Supp. 20, published in Federal Register, Vol. 51, No. 104, May 30, 1986, page 19660. You may also wish to refresh your memory by referring to a memo from Jim Lear to all Montana Legislators in January, 1986, entitled DEDUCTION OF LIVING EXPENSES ON INCOME TAX RETURNS.

PLEASE RETURN



Montana Legislative Council

INFRASTRUCTURE COMMITTEE MEETS TO DISCUSS OPTIONS

FUNDING OPTIONS TO BE CONSIDERED

The Interim Subcommittee on Infrastructure will meet on Friday, September 5, to discuss options for new legislation. The committee will consider a proposal to establish a loan and grant program for infrastructure projects based on bonds guaranteed by the coal severance tax trust fund. Changes in local government tax and bonding statutes will also be considered.

HEARINGS BILLINGS AND MISSOULA

Later in the month the subcommittee will conduct hearings in Billings and Missoula to allow interested persons and organizations to comment on its proposals. The first hearing will be in Billings on Tuesday evening, September 16. The Missoula hearing will be on Tuesday evening, September 30.

JOINT INTERIM SUBCOMMITTEE ON LIEN LAWS

NOV SET FOR FINAL MEETING

The day preceding the pre-session caucus, November 14, was tentatively selected by the Joint Interim Subcommittee on Lien Laws for its seventh and final meeting.

SEVERAL IDEAS ADOPTED

At its meeting on August 1, the Subcommittee revised and tentatively approved the draft of the proposed new construction lien law, requested review of the Minnesota and Iowa laws on agricultural services and supplies liens, approved extending lien authority to physical therapists and occupational therapists, and postponed until the next meeting action on a request from the Department of Labor and Industry for a statutory lien on behalf of wage earners against a failed employer.

JOINT INTERIM SUBCOMMITTEE ON LIABILITY ISSUES

INSURANCE COMPANY SURVEY

A report on the findings of the survey of liability insurance carriers will be on the agenda for the next meeting of the Joint Interim Subcommittee on Liability Issues on Friday and Saturday, September 26 and 27.

TORT REFORM BILLS

At the meeting on August 15, the Subcommittee asked that proposed bills on tort reform and insurance regulation be submitted to the staff attorney, Valencia Lane, by September 15 for review before the next meeting.

In addition to recommendations heard at the last meeting, subjects on which members requested proposals for the next meeting include alternative dispute resolution for commercial torts, self-insurance pools for professionals, authorization of financial institutions to engage in reinsurance, and liability insurance for nonprofit organizations and their officers, directors, and employees. The Commissioner of Insurance was asked to present details of her tort reform proposals.

ENVIRONMENTAL QUALITY COUNCIL

On August 4-6, the EQC toured oil and gas exploration sites on the Rocky Mountain Front and a producing gas field near Waterton, Alberta.

GREAT FALLS
MEETING
SEPT 18, 19

The next meeting of the EQC will be held on September 18 and 19 at the Holiday Inn in Great Falls. The regular business meeting will be conducted on the morning of the 18th. Included on the agenda are a review of options for further action on the oil and gas study as well as several administrative issues.

Beginning at 1 p.m. on the 18th and continuing through the afternoon of the 19th, EQC and the Lincoln Institute of Land Policy will cohost a seminar, titled "Innovative Approaches to Subdivision Regulation." The seminar features several nationally noted experts on subdivision law and policy. These speakers will review approaches to subdivision regulation applied by various state and local jurisdictions across the nation, and they will discuss the potential relevance of these approaches to Montana.

During the afternoon of the 19th, representatives of various Montana interest groups will participate in working groups with the invited speakers. The groups, which will run consecutively, will consider the purposes of subdivision regulation, improvements to the review process, and the appropriate state role in subdivision regulation.

The seminar is being held as part of EQC's comprehensive review of state subdivision regulations. The Council hopes to reach consensus on possible changes in subdivision laws or regulations to recommend to the 1987 Legislature.

LEGISLATIVE AUDIT COMMITTEE

MEETING
SEPT 15

The Legislative Audit Committee will meet September 15, in Room 104 of the Capitol.

The Committee will review the Legislative Auditor's Office budget for the 1989 biennium, and hear the financial-compliance opinions on the Economic Development Board, the Agricultural Loan Authority, and the Health Facilities Authority. Other items on the agenda include a performance audit survey of the Employment Service Program of the Department of Labor and Industry.

COPIES
AVAILABLE

Copies of all reports are available upon release by the Legislative Audit Committee from the Office of the Legislative Auditor, Room 135, State Capitol, Helena, MT, 59620, telephone 444-3122.

LEGISLATIVE COUNCIL

At its August 28 meeting, the Legislative Council approved the Council's 1989 biennial budget, heard staff reports on consolidation of Legislative branch accounting functions, and preparations for the 1987 session. The Council adopted a new policy that prohibits Legislative Council staff from drafting arguments for or against ballot issues. The Council will meet again September 26.

1985 CODES
NEEDED

The supply of 1985 Codes is almost depleted. If any legislator is willing to resell his or her set of the Codes to the Council, please call Kathy at 444-3064 in the mornings. This will enable the Council to fulfill its duty to members of the subscribing public.

COAL TAX OVERSIGHT SUBCOMMITTEE

FUTURE
MARKET
REVIEW
SEPT 18

Thursday, September 18, is the date for the sixth meeting of the Coal Tax Oversight Subcommittee. During the session beginning in Room 104 at 9 a.m. the Subcommittee will hear Dr. Arnold Silverman of the Geology Department of the University of Montana discuss the "Update of the Montana Coal Market to the Year 2000", which was coauthored by him and Dr. John Duffield and presented in written form at the July 18 meeting. Other agenda items will include a continuation of the review of the effectiveness of the New Coal Production Incentive Tax Credit and formulation of the Subcommittee's recommendations and report.

REVENUE OVERSIGHT COMMITTEE

MEETINGS
SCHEDULED

The Revenue Oversight Committee's return to activity is imminent with meetings scheduled for Thursday, September 4, and the following Thursday and Friday, September 11 and 12.

COMPREHENSIVE
TAX STUDY
DISCUSSION

The meeting on September 4, scheduled to begin in Room 104 of the Capitol at 1:30 p.m., is for the purpose of defining the scope of the "comprehensive tax study" required of the Committee in House Bill 1 of the June special session. ROC Chairman Rep. Mel Williams has presented the Committee with a proposal to develop a sales tax data base, and a critical analysis of the implications of federal income tax reform to Montana income taxation.

TAX
CONFERENCE

In addition to Rep. Williams' proposal, the Committee will also hear from George Anderson, Helena, and Gary Buchanan, Billings, representing the Montana Tax Reform Education Committee, or MONTREC; representatives of the University of Montana and Montana State University; and Steven D. Gold, Director of Fiscal Studies for the National Conference of State Legislatures, Denver.

The meeting was purposely scheduled to precede the conference being jointly sponsored by the universities, "Taxation and the Montana Economy". The conference is scheduled for September 5 and 6 at the Colonial Inn in Helena.

FINAL ROC
WORK SESSION

The following week, the ROC will meet again on Thursday and Friday, September 11 and 12, in their final, regularly scheduled work meeting of the interim. With the agenda in the early stages of development, items to be discussed include: a staff bill draft stemming from the SJR 14 study, i.e., a study of property tax collections, tax sales, and the tax deeding process; a draft bill prepared at the Committee's request earlier this year addressing a refinement of Montana's property tax statutes for "new industrial" property; a package of housekeeping and substantive bills from the Department of Revenue expected to total about 15-20 pieces of legislation, (although this package does not include the tax reform package previously announced by the Governor); hearing a final report from the Moss Mansion In-kind Review Committee (resulting from the adoption of HB 701) and ROC action on the Review Committee's recommendation; and, of course, the plethora of last-minute additions.

Any legislators that would like to listen in or participate in the discussion of the "comprehensive tax study" on Thursday, September 4, are welcome and encouraged to attend the meeting.

Questions about Revenue Oversight Committee activities can be addressed to Dave Bohyer at the Council, 444-3064, or Rep. Mel Williams, 628-4385.

COMMITTEE ON INDIAN AFFAIRS

LITTLE SHELL HEARD IN BILLINGS

The Committee on Indian Affairs met in Billings on August 15. During the meeting, Don Bishop, Chairman of the Little Shell Tribe, discussed his tribe's efforts to obtain federal recognition. Anthropologist Jack Campisi and historian Pat Morse discussed how they were assisting the tribe in gathering data necessary for recognition.

BLACKFEET TAX CODE

Don Kittson and Phil Roy, Blackfeet tribal attorneys and Dan Bucks, Deputy Director of the state Department of Revenue discussed the recently enacted Blackfeet comprehensive tax code and liquor license ordinance. Mr. Bucks indicated that state legislation may be needed to permit the state and the tribe to enter into tax revenue sharing agreements.

Merle Lucas, Chairman of the Montana Inter-Tribal Policy Board, gave Committee members an update on the Board's activities. He noted that the Board will be sponsoring a conference in October to develop strategies for dealing with federal budget cuts in Indian services. The Board also will be sponsoring an intertribal youth practicum similar to Boys' and Girls' State.

NOVEMBER MEETING SET

Following these presentations, the Committee reviewed and discussed several legislative options concerning alcoholism issues and the Indian Child Welfare Act. The Committee will continue to review these options at its final meeting scheduled for November 7.

SELECT COMMITTEE ON HEALTH INSURANCE FOR RETIRED PUBLIC EMPLOYEES

PROPOSALS DECIDED

The Select Committee on Health Insurance for Retired Public Employees held its final meeting on August 22. In concluding its work for the interim, the Committee unanimously adopted a proposal for using accrued sick leave for payment of retiree health insurance premiums.

**USE OF SICK
LEAVE CREDIT**

Under this proposal, state and local government employees upon termination of employment would no longer receive a lump-sum payment equal to one-quarter of the value of their accrued sick leave as currently provided for by law. However, employees who retire from public employment and remain members of their employer's group health insurance plan would be eligible to apply an amount equal to one-third of the value of their accrued sick leave toward payment of their insurance premium. The Committee instructed staff to draft legislation implementing the proposal for introduction during the 1987 legislative session.

**TRUST FUND
PROPOSAL**

In other action, the Committee agreed to include within its final report a proposal endorsed by the Association of Montana Retired Public Employees. The Association's proposal creates a trust fund for payment of retiree health insurance premiums. Contributions to the trust fund would be made by public employers, by active employees who would contribute a percentage of their salary during their working lives, and by current retirees who would contribute a percentage of their retirement allowance for as long as they chose to participate in the program. Premium payments made from the trust fund would be based on years of service. The Committee instructed staff to draft legislation implementing the Association's proposal; however, the legislation will appear in the Committee's final report without recommendation.

WATER POLICY COMMITTEE

**NEXT DATE
IN OCT**

The next meeting of the Water Policy Committee is tentatively scheduled for October 6-7 in Billings. The Committee will review its final report and begin to develop policy options for legislative consideration. In addition, issues relating to hydropower development and its preemption of other water rights will be addressed.

MISC:6240

LEGISLATIVE INTERIM CALENDAR

SEPTEMBER

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4 ROC-Tax Study Rm. 104-1:30pm	5 INFRASTRUCTURE COMM. - Rm. 104	6	
7	8	9	10	11 ----- ROC - Room 108 ----- -LEG. FINANCE	12 ----- ROC - Room 108 ----- -LEG. FINANCE	13 ----- COMM. - Rm. 104 -
14	15 LEG. AUDIT COMM. - Rm. 104	16 INFRASTRUCTURE Hearing - Billings	17	18 CTO - Rm. 104 ----- EQC --Great Falls -----	19	20
21	22 --SUBCOMM. ON THE LAW ACADEMY ----- SITE INSPECTION Dillon	23 Great Falls	24 Lewistown	25	26 ----- LIABILITY ISSUES - Rm. 104 - LEG. COUNCIL - Rm. 132 - 9am	27
28	29	30 INFRASTRUCTURE Hearing - Missoula				

*ALL MEETINGS ARE SUBJECT TO CHANGE

LEGISLATIVE INTERIM CALENDAR

OCTOBER

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
					-LEG. FINANCE COMM.-Rm. 104-	
19	20	21	22	23	24	25
26	27	28	29	30	21	

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